BOARD ACTION MEMORANDUM

TO: NCUA Board  DATE: December 7, 2012
FROM: Office of General Counsel  SUBJ: Briefing on Final Rule –
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Appraisals for Higher-Price
Appraisals for Higher-Priced Mortgage Loans, 12 CFR part
Mortgage Loans, 12 CFR part 1026

ACTION REQUESTED: Public briefing on forthcoming interagency final rule regarding
appraisals for higher-priced mortgage loans. 12 CFR part 1026.

DATE ACTION REQUESTED: January 10, 2013.

OTHER OFFICES CONSULTED: E&I

VIEWS OF OTHER OFFICES CONSULTED: Pending.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: John H. Brolin, Staff Attorney, Office of General
Council.

SUMMARY: The NCUA, FRB, CFPB, FDIC, FHFA, and OCC are jointly publishing final
rules to amend Regulation Z, which implements the Truth in Lending Act (TILA), and the
official interpretation to the regulation. The revisions to Regulation Z implement a new
TILA provision requiring appraisals for higher-priced mortgage loans that was added to
TILA by the Dodd-Frank Wall Street Reform and Consumer Protection Act. For
mortgages with an annual percentage rate that exceeds the average prime offer rate by
a specified percentage, the final rule requires creditors to obtain an appraisal or
appraisals meeting certain specified standards, provide applicants with a notification
regarding the use of the appraisals, and give applicants a copy of the written appraisals
used.

RECOMMENDED ACTION: Public briefing on interagency final rule, which will be
presented for Board’s notation vote.

ATTACHMENT: Interagency draft forthcoming.